Insurance

1. Name five types of risk:
   1. Strategic Risk.
   2. Compliance Risk.
   3. Operational Risk.
   4. Financial Risk.
   5. Reputational Risk.
2. Define Insurance in your own words.

\_\_\_\_ a means of guaranteeing protection or safety. It can protect you multiple stuff house, life and you’re your animal life depending what type of insurance you have of course. \_\_\_\_

1. Name four types of insurance:
   1. Health Insurance
   2. Life insurance
   3. Car insurance
   4. Homeowner’s or rent’s insurance
2. Match the following terms to their definition:

\_\_\_C\_\_\_ Insured/policy holder

\_\_\_D\_\_\_ Policy

\_\_\_E\_\_\_ Premium

\_\_\_A\_\_\_ Deductible

\_\_\_**B**\_\_\_ Claim

1. An amount you must pay before the insurance company pays a claim
2. A policyholder’s request for payment for a loss that is covered by the insurance policy
3. The person for whom the risk is assumed
4. A contract issued by the insurance company for coverage for the policyholder
5. The amount the policyholder must pay for insurance.

Types of Life Insurance policies

Whole-life policies, a type of permanent insurance, combine life coverage with an investment fund. Here, you're buying a policy that pays a stated, fixed amount on your death, and part of your premium goes toward building cash value from investments made by the insurance company.

Cash value builds tax-deferred each year that you keep the policy, and you can borrow against the cash accumulation fund without being taxed. The amount you pay usually doesn't change throughout the life of the policy.

Universal life is a type of permanent insurance policy that combines term insurance with a money market-type investment that pays a market rate of return. To get a higher return, these policies generally don't guarantee a certain rate.

Variable life and variable universal life are permanent policies with an investment fund tied to a stock or bond mutual-fund investment. Returns are not guaranteed.

The other type of coverage is term insurance, which has no investment component. You're buying life coverage that lasts for a set period of time provided you pay the monthly premium. Annual-renewable term is purchased year-by-year, although you don't have to requalify by showing evidence of good health each year.

When you're young, premiums for annual-renewable term insurance are dirt cheap - as low as a few hundred dollars per year for $250,000 worth of coverage.

As you get older, premiums steadily increase. Level-premium term has somewhat higher - but fixed - premiums for longer periods, anywhere from five to 30 years.

Life insurance helps protect your family financially by replacing some or all of your income after you die. Life insurance may not be right for everyone.  Consider your age, marital status, and who depends on you for support to decide if buying life insurance is a good choice for you.

1. What are the two types of life insurance? ( Term life vs Whole Life )
   1. Permanent life insurance
   2. Universal life insurance
2. Who does Life insurance protect?

\_\_\_\_\_ the insurance company provides a lump-sum payment, known as a death benefit, to beneficiaries upon the insured's death. Typically, life insurance is chosen based on the needs and goals of the owner.\_\_\_\_\_\_